

Message Text

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ACTION OPIC-06

INFO OCT-01 AF-08 ISO-00 EB-07 AID-05 COME-00 SSO-00

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O 181120Z AUG 76

FM AMEMBASSY YAOUNDE

TO SECSTATE WASHDC IMMEDIATE 9364

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DEPT PASS OPIC FOR HOPE AND HENDERSON

E.O. 11652: NA

TAGS: EFIN

SUBJECT: MBANDJOCK RICE PROJECT

REF: (A) STATE 203429 (B) YAOUNDE 2831

1. IN VIEW OF CLOSE RELATIONSHIP WHICH HAS EXISTED BETWEEN OPIC, CAMEROONIAN OFFICIALS AND MEMBERS US MISSION, I AM EXTREMELY DISAPPOINTED NOT ONLY CONTENTS REFTEL A, BUT THAT WE HAD NOT BEEN FOREWARNED AS TO COMPLETE TURN DOWN ON MBANDJOCK RICE PROJECT. FYI: WHEN IN WASHINGTON IN JULY, OPIC CONSULTATIONS INDICATED PREFERENCE FOR PHASED IMPLEMENTATION BUT NOT COMPLETE TURNDOWN. END FYI. REALIZE OPIC MAKES HARDNOSED BUSINESS DECISIONS BASED ON FACTS EACH CASE AND NEITHER I NOR OTHERS OUTSIDE ORGANIZATION IN POSITION SECOND GUESS. HOWEVER, CONCERNED OVER POTENTIAL NEGATIVE EFFECT THIS WILL HAVE ON GURC AND MANY FRIENDS OPIC HAS IN CAMEROON IN CHANBER OF COMMERCE AND PRIVATE BUSINESS. BELIEVE ENSUING NEGATIVE HALO WILL BE DIFFICULT, IF NOT IMPOSSIBLE, DISPEL, ESPECIALLY SINCE WE STILL LIVING WITH DOLE PULLOUT. ON THIS BASIS FOLLOWING COMMENTS OFFERED IN SPIRIT CO-OPERATIVE SEARCH MEANS MAKING BEST OUT WHAT ESSENTIALLY APPEARS BAD SITUATION.

2. REF B INTENDED PRESENT CANDID THINKING INDIVIDUALS

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IN YAOUNDE CONCERNING QUESTION IMMEDIATE VERSUS DELAYED START

FOR PROJECT. HOPE THIS NOT BASIS FOR TURNDONE, AS THERE ARE SOME NON-CAMEROONIANS WHO DELIGHT PAINTING NEGATIVE PICTURE. NO ONE DIRECTLY CONNECTED WITH PROJECT IN YAOUNDE CAN PROVIDE IRONCLAD GUARANTEES OF PROFITABILITY OF NEW TYPE AGRICULTURAL PROJECT. POINT IS, HOWEVER, GURC WANTS AND WILL RPT WILL SUPPORT RICE PROJECT. GURC WILL UNDOUBTEDLY PROVIDE GUARANTEES ON LOANS.

3. ONLY TEST YELD AVAILABLE FOR IAC 25 RICE. FURTHER RESEARCH NEEDED IDENTIFY BEST RICE TYPE. RESEARCH IS GOING ON AND WILL CONTINUE. AS OPIC NOTED IN TEELE LETTER, QUOTE YIELD DATA MBANDJOCK AREA MEAGER AND INCONCLUSIVE END QUOTE. EMBASSY THOUGHT OPIC DESIRE FOR TEST PERIOD WAS IN ORDER TO OBTAIN SUFFICIENT INFORMATION FOR DECISION PROJECT FEASIBILITY.

4. ADMITTEDLY CAMEROON RELATIVELY POOR COUNTRY WHICH DOES NOT ENJOY READILY EXPLOITABLE RESOURCES OF SOME NEIGHBORS. IT NEEDS AND ENCOURAGES PRIVATE FOREIGN INVESTMENT TO ASSIST IN DEVELOPMENT. AGRIBUSINESS HAS PRIMARY EMPHASIS AND, FURTHER, IS DIRECTLY IN LINE WITH USG POLICY ENCOURAGE INCREASED LDC'S FOOD PRODUCTION. EMBASSY ALSO BELIEVES USG HAS SOME INTEREST MAKING EFFORT ASSIST DEVELOPING COUNTRY WIH ECONOMIC SYSTEM UN ACCORDANCE WITH AND OPEN OUR INTERESTS. WILLINGNESS OTHER COUNTRIES FINANCE AGRIBUSINESS DEVELOPMENT PROJECTS (INCLUDING THIS ONE) OF INITIALLY MARGINAL FEASIBILITY INDICATE THEIR FAITH CAMEROON'S POTENTIAL AS CENTRAL AFRICAN FOOD PRODUCER AND DESIRE SUPPORT ITS DEVELOPMENT. US HISTORY CAMEROON INVESTMENT EFFORTS, FIRST DOLE AND NOW THIS, DO NOT COMPARE WELL WITH OUR ROLE OTHER AFRICAN STATES NOT NEARLY SO CONGENIAL TO OUR INTERESTS. HANNUSCH OF CENEEMA (REF B) BELIEVES RICE PROJECT POTENTIALLY BEST AG PROJECT IN CAMEROON AND OTHERS BELIEVE MEETS GENUINE

NEEDS CAMEROON AND OFFERS POTENTIAL INVESTOR POSSIBILITY MAKING FUTURE PROFITS. THEREFORE, FLAT REFUSAL OPIC PROCEED OBTAIN ADDITIONAL DATA WILL BE MISUNDERSTOOD AS VOTE NO CONFIDENCE CAMEROON AND NOT AS BASIC BUSINESS DECISION.

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5. THEREFORE, I HOPE OPIC MIGHT RECONSIDER DECISION UNTIL MORE INFORMATION BASED ON FULL CYCLE AVAILABLE OR OPT FOR PHASED CONDITIONAL IMPLEMENTATION, PARTICULARLY AS LATTER WAS POSITION WHICH I AND OTHERS UNDERSTOOD TO BE OPIC'S. IN OTHER WORDS, THIS MAY NOT BE BEST PROJECT IN WORLD, BUT IS BEST CURRENTLY AVAILABLE CAMEROON. WITH PHASED CONDITIONAL IMPLEMENTATION AND GURC GUARANTEES, PARTICULARLY IF OPIC MAKES RESERVATIONS KNOWN BUT INDICATES WILLINGNESS PROCEED IN

SPIRIT COOPERATIVE DEVELOPMENT CAMERONIAN AG POTENTIAL, DO

NOT BELIEVE OPIC HAS MUCH TO LOSE. PERHAPS DALGETY
WILL MAKE BETTER OFFER; IF SO, THEN OPIC OFF HOOK.

6. IN ANY EVENT, BELIEVE ESSENTIAL HENDERSON AND/OR
HOPE (WHERE THERE'S HOPE THERE'S HOPE) CONSIDER COMING
CAMEROON ASAP IN ORDER EXPLAIN BASIS THIS AND A&B MAIZE
DECISION AND ACTIVELY SEEK ALTERNATIVE PROJECTS. FYI
FOURTH DEVELOPMENT PLAN IN FINAL STAGES PREPARATION AND
BELIEVE OPIC WOULD HAVE OPPORTUNITY ASCERTAIN IF ANY PROJECT
PROPOSALS WORTH PURSUING.

7. ADVISE.
MITHOEFER

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